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ABSTRACT

The National Association of County Training and Employment Professionals represents the service delivery areas (SDAs) that operate and administer programs funded by the Job Training Partnership Act (JTPA). With renewal and overhaul of the JTPA on the legislative horizon, the association made the following recommendations: (1) eligibility should continue to include all economically disadvantaged youth and adult residents in each service delivery area; (2) a separate youth title would enhance all available services to youth; (3) the cycle of welfare dependency can be broken through efforts that can only be provided by the full funding of the Job Opportunities and Basic Skills (JOBS) Training Program and JTPA; (4) fixed unit price, performance-based contracting should be maintained except for on-the-job training where a third-party contractor is involved, and other revenue-management methods should be used for some training procedures; (5) performance standards must allow for adjustments that recognize barriers to employment; (6) no maximum limit should be set on the authorization of JTPA funds; (7) equitable fund to ensure access to services for eligible clients in urban, suburban, and rural areas; (8) no changes in the composition of the Private Industry Councils are recommended; and (9) additional demonstration programs that circumvent the existing JTPA system by providing direct services to clients are opposed. (KC)

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THE JTPA INVESTMENT:

LOCAL PERSPECTIVES

National Association of County
Training and Employment Professionals

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THE JTPA INVESTMENT:

LOCAL PERSPECTIVES

It is important to note that the following report contains positions on issues that have evolved during the past four months and that will affect the remolding of the Job Training Partnership Act (JTPA) in 1989. It does not address all issues affecting JTPA nor all that may be raised in the JTPA amendment process. This report does contain a consensus of the National Association of Counties Training and Employment Professionals' Board of Directors and the National Association of Counties Employment Steering Committee on selected major issues and recommendations.

INTRODUCTION

The National Association of County Training and Employment Professionals (NACTEP) represents the service delivery areas (SDAs) that operate and administer programs funded by the Job Training Partnership Act (JTPA). The association's primary purpose is to give direction to SDAs in making quality training and employment services more effective for the people who need them.

Now that the period of initial implementation is over, JTPA programs are going through the process of self-assessment as well as evaluation from the outside. Close scrutiny reveals that the environment in which JTPA was enacted has changed significantly. The program was originally designed to serve the economically disadvantaged who could best benefit from services. The wind of change is pushing for services to those with multiple barriers who comprise the structurally and long-term unemployed. To this end, legislators are looking at amending JTPA to address some of these pressing needs.

NACTEP believes that the following are basic premises upon which amendments to JTPA should be founded:

- Recognition of the fact that JTPA has successfully met the charge given by the original statute, "to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment."

- The changing demographics and social needs described in the Year 2000 campaigns are a reality. A wide gap exists between work force needs and skills. JTPA is poised to meet the challenges presented by the current eligible population in need of services.

- One of, if not the most effective aspects of JTPA is the public/private partnership that has been created at the local level.

- The political climate is such that change is inevitable but should incorporate the knowledge acquired during the period since JTPA's enactment.

The goal of this report is to provide policy and decision makers with input from experts who deliver and administer programs at the local level and who work with the private sector, local elected officials, the state, and, most important, the eligible adult and youth populations.

Recommendations that address the following questions are provided:

- Who should be served?
- How can youth be better served?
- How can JTPA break the cycle of welfare dependency?
- Are fixed unit price contracts the best contracting method?
- How can performance standards best measure success?
- Why will it take more to do more?
- How should JTPA funds be distributed?
- Should the composition of the Private Industry Council (PIC) be changed?
- Are demonstration grants needed?

RECOMMENDATIONS

WHO SHOULD BE SERVED?

Eligibility should continue to include all economically disadvantaged youth and adult residents in each service delivery area.

Local SDAs should be encouraged to emphasize services to target groups identified by PICs and local elected officials (LEOs).

The population JTPA serves is shifting toward the "hardest to serve" partly in response to national, state and local policies and partly in response to labor market and demographic changes. As unemployment rates have decreased, those who are equipped for employment are working. The citizens who are least prepared to enter the labor force are most in need of JTPA services.

The flexibility of being able to serve any eligible JTPA individual means the program can be sensitive to the economic conditions of the various localities. The statute provides for performance standards to be established and adjusted by the Secretary of Labor. The governor is authorized to further adjust the standards to ensure targeting of services to the most in need.

Service delivery areas and PICs, in response to the standards, establish priorities to focus services on those most in need. Through adjustments to the performance standards, the statute provides for methods of targeting services to meet the challenges created by the needs of the changing eligible population without compromising the SDAs' ability to meet the performance standards.

The majority of SDAs and PICs are well aware of and committed to meeting the needs of the hard to serve and increasing their emphasis on this population regardless of legislative or administrative changes.

How Can Youth Better Be Served?

A separate youth title would enhance all available services to youth.

A separate youth title would focus resources on preparing youth to be productive members of the community and future labor force. Decision makers must keep in mind; however, that amendments to JTPA must not sacrifice the needs of one generation to address the priorities of another.

Coordinating limited resources for youth must be ensured through mandatory requirements for the coordination of youth services in other related legislation, such as the Carl Perkins Vocational Education Act and the JOBS portion of the Family Support Act.

In addition, a number of other approaches must be considered, such as: (1) providing SDAs with greater flexibility in program design, mix, and duration of services provided, including a re-examination of the limitations on work experience and the budgeting of funds to support coupled work experience and other youth competency attainments; (2) a deemphasis on low cost and high placement measures; (3) providing more incentives to SDAs with concentrations of at-risk youth for exploration of alternative services for this population; and 4) the development and distribution of multiple service models for replication at the local level.

How Can JTPA Break the Cycle of Welfare Dependency?

The cycle of welfare dependency can be broken through efforts that can only be provided by the full funding of Job Opportunities and Basic Skills (JOBS) Training Program and JTPA. Furthermore, JTPA should become an integral part of planning and implementing of an integrated human resource delivery system.

JTPA has proved its effectiveness in providing training and employment services to welfare recipients to prepare them for and place them in jobs. In Program Year 1987, 41 percent of the

Title IIA participants were welfare recipients. Seventeen percent of the eligible population receive Aid to Families with Dependent Children (AFDC) while JTPA is serving 23 percent of that population.

JTPA is effective in assessing the training and employment needs of welfare recipients while effectively identifying the income required to move the recipients from dependency to self-sufficiency and providing the training and services necessary to achieve this objective.

In light of this performance it is believed that a major oversight of the JOBS provisions of the Family Support Act is the lack of required linkages with training and employment programs of proven effectiveness. Amending JOBS to strengthen the coordination provisions with JTPA would maximize resources available to address the individual needs of the AFDC recipients. In addition, this would avoid duplication of administrative structures during this time of limited fund availability.

Are Fixed Unit Price Contracts the Best Contracting Method?

JTPA administrators recognize the criticisms leveled at the use of fixed price agreements. Recently, the Employment and Training Administration has provided some policy guidance in this area. We would further advise the following:

1. ***Fixed unit price, performance-based contracting should be maintained except for on-the-job training where a third party contractor is involved. In those cases, a cost reimbursement performance-based contracting procedure is recommended.***

2. ***Excess revenues generated from the use of JTPA funds through fixed unit price, performance-based contracts by governmental or private nonprofit organizations should be classified as program income in accordance with appropriate JTPA regulations regarding program income. The contractors should identify excess revenues and report how those revenues are to be utilized.***

3. ***Performance-based contracts under JTPA with private-for-profit agencies must be done in accordance with a federal or state approved procurement system, which will include a cost analysis survey.***

Performance contracts, which are single unit priced, are an acceptable contract form. The advantages of this type of contract include:

- Targeting contractor performance by basing their payments on the outcomes achieved.
- Allow training providers the flexibility to adjust their budgets during the contract period so as to meet participant training needs not originally anticipated, without the need to incur the red tape associated with amending a contract. This is possible because contract budgets are not tied to specific cost categories, although total payment is limited to the sum agreed to at the time of entry into the contract and further constrained by the per unit price per participant and that participant's achievement of the agreed upon outcomes.
- The ability of the service delivery area to charge costs associated with these contracts to the training cost category. This concept is consistent with the purchase of off-the-shelf training packages and tuition agreements that have historically been chargeable to the training cost category.

How Can Performance Standards Best Measure Success?

In order to achieve the objective of long-term employment for hard-to-serve individuals, performance standards must allow for adjustments that recognize barriers to employment (e.g., illiteracy, transportation, child care, medical care, basic skill deficiencies, teen pregnancy).

"What gets measured, gets done." Therefore, the Secretary of Labor and the Governors must fulfill their responsibility of adjusting the standards to focus services on individuals as mandated by Congress and changing demographics.

One of the unique and very positive aspects of JTPA is the accountability of the system created through performance standards management. Appropriate use of adjustments to the performance standards will enhance JTPA's ability to provide long-term, more intense, and probably more costly training and services required by individuals with multiple barriers. The result will be long term job retention by the at-risk population.

Considering the client population and the expected outcomes, performance standards must be adopted that incorporate uniform definitions throughout primary human resource programs, including those funded through JOBS, JTPA, the Wagner Peyser Act and the Carl Perkins Vocational Education Act. This will result in streamlined, comprehensive services for the eligible population while improving the accountability and performance of the respective programs.

Why It Will Take More To Do More?

No maximum limit should be set on the authorization of JTPA funds.

Congress must recognize the need for additional funds to pay the higher costs associated with training those with greater needs and enact legislation that will allow for such appropriation when the need demands it.

To get the maximum use of available job training funds, technical amendments should be made to the JOBS program under the Family Support Act, the Employment Service under Wagner Peyser, and programs under the Carl Perkins Vocational Education Act to better share resources and to ensure integration and maximum coordination with JTPA programs at the local level.

Local flexibility must be maintained in allowing the transfer of funds between adult and youth programs.

How Should JTPA Funds be Distributed?

A more accurate data base that reflects current population demographics must be in place prior to adoption of a change in the allocation formulas.

Equitable funding must be provided to ensure access to services for eligible clients residing in urban, suburban, and rural areas.

The concern that funds should be distributed to state and local areas on the basis of their share of eligible (economically disadvantaged) residents is legitimate. It must be recognized that the current data base for economically disadvantaged people is based on 10-year-old information and does not reflect the current number of residents in states and localities.

Should the Composition of The Private Industry Council Change?

No changes to the composition of the private industry councils are recommended.

The private industry councils are a cornerstone of the the JTPA system. They exemplify the public/private partnership that is being adopted as an effective method of addressing a whole range of human resource and educational programs. The involvement of the private sector in JTPA through the PICs has provided legitimacy, efficiency, and accountability previously lacking in training and employment programs. PICs already include a wide range of local individuals representing a broad array of local interests.

Are Demonstration Grants Needed?

The establishment of additional demonstration programs that circumvent the existing JTPA system by providing direct services to clients is opposed.

Demonstration programs that do not utilize a proven effective delivery system, JTPA, are a duplication of funds resulting in fragmentation of services.

Additional funds for the research and development of projects designed to promote and enhance the management and implementation of JTPA programs at the local level is supported. This approach would assist JTPA in responding to the changing eligible population and its respective needs.

All additional demonstration and research programs should be conducted within the existing JTPA system to achieve maximum impact.

APPENDIX

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